



Department of Justice

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BRIAN SCOTT HOCKETT SENTENCED TO 18 MONTHS FOR BANK FRAUD

PRESS RELEASE

Indianapolis - Brian Scott Hockett, 45, New Palestine, Indiana was sentenced to 18 months in prison today by U.S. District Judge Sarah Evans Barker following his guilty plea to bank fraud, announced Timothy M. Morrison, United States Attorney for the Southern District of Indiana. This case was the result of a three year investigation by the Federal Bureau of Investigation.

Brian "Scott" Hockett was the owner of an auto service in Indianapolis known as Fleetmax. In 2002, Hockett set up a line of credit that was shared equally with Fifth Third and National City banks. The line of credit was essentially a floor-plan type arrangement, where the credit was only to be used for "working capital" and it was secured by all the assets of Fleetmax. Because of Fleetmax's precarious position, the arrangement required monthly reports called "borrowing base certificates" that showed the amount of collateral available as security, and also mandated regular audits by the banks. The line of credit was set up as a "sweep" type account that was tied directly to the primary Fleetmax operating account. As expenses were paid from the operating account, the line of credit would automatically be debited, and the operating account credited, whenever there were not enough funds from business operations in the operating account to pay for the expenses.

From 2002 through the demise of the business around May 2006, the entire line of credit was exhausted, leaving a debt of approximately \$10 million. The business was sold in the summer of 2008 for approximately \$5 million, leaving a net debt for Hockett on the line of credit of approximately \$5 million.

By January 2005, Hockett was aware, from his role as owner of Fleetmax, accounting records provided to him and discussions with Fleetmax staff, that Fleetmax had become entirely dependent on the line of credit for operating capital. In other words, Fleetmax was not generating enough revenue from its own business to operate, and virtually all expenses of the

business, and personal expenses of Hockett's paid for from the Fleetmax operating account, were funded by the line of credit.

From January 2005 through May 2006, Hockett directed and authorized expenses from the Fleetmax operating account of approximately \$2,498,855 for the purchase of stock in a public company not related to the purposes intended by the line of credit, knowing that these expenses were being paid for by the line of credit, contrary to the terms of the line of credit.

According to Assistant U.S. Attorney Winfield D. Ong, who prosecuted the case for the government, Judge Barker also imposed four years supervised release and 96 hours of community service in the first year of supervised release, following Hockett's release from prison. During the period of supervised release, Hockett must undergo drug testing. Hockett was ordered to make restitution in the amount of \$2,498,855.

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